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Directive 01-6: The Title 5 Credit and State Mandated Sewer Connections

DIRECTIVE:

Technical Information Release 99-5 allowed taxpayers who repair or replace a failed septic system pursuant to a federal court order, consent decree, or similar mandate from a federal court of competent jurisdiction to take the Title 5 personal income tax credit. This Directive extends the Title 5 personal income tax credit to taxpayers who repair or replace a failed septic system pursuant to an Administrative Consent Order from the Massachusetts Department of Environmental Protection, a Massachusetts state court order, consent decree, or similar mandate from a state court of competent jurisdiction.

CLAIMING THE CREDIT:

In order to claim the credit a taxpayer must obtain a verification letter from the city or town in lieu of the Certificate of Compliance. See 310 CMR 15.021; TIRs 97-12 and 99-5. The verification letter must state that the taxpayer is subject to an Administrative Order or state court mandate to connect to the city or town sewer system, the date the taxpayer's sewer connection was completed, and that the "abandonment" of the taxpayer's septic system was undertaken in accordance with the Title 5 regulation. See 310 CMR 15.354. [\(1\)](#)

The credit is generally available to eligible taxpayers beginning in the tax year in which the work required to repair or replace a septic system is "completed." See G.L. c. 62, Â§ 6(i); TIR 97-12. For purposes of this Directive, that year is the year stated in the verification letter. Taxpayers claiming the Title 5 credit pursuant to this Directive must attach a copy of the verification letter to Schedule SC when filing their Form 1 or Form 1-NR/PY.

August 10, 2001

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Footnotes:

1. A taxpayer who is required (but not by Administrative Order, or federal or state court order) to connect his/her septic system to the city or town sewer system must have his/her septic system inspected prior to the sewer hook-up in order to determine the taxpayer's eligibility for the Title 5 credit. See TIR 97-12. [\(return to text\)](#)